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ASX ANNOUNCEMENT

Tuesday 8th October 2013

Habanero Discovery Delivers High-Grade for Hot Chili

- **Drilling returns high-grade results of up to 1.6% copper and 0.4gpt gold at the Habanero discovery within the Productora Project in Chile**
- **Results are particularly significant because they show Habanero mineralisation dips to the east while most mineralisation at Productora dips to the west. This highlights strong potential for repeats of Habanero**
- **Importantly, the Habanero area was previously considered waste, meaning it will have a substantial impact on the Project's economics**
- **Habanero expected to feature prominently in the forthcoming major resource upgrade at Productora**

New Drill Results at Habanero Productora copper project, Chile

71m grading 1.6% Copper and 0.4g/t Gold
(and 229ppm molybdenum)

from 97m down-hole
within a broader intersection of:

181m grading 1.0% Copper and 0.3g/t Gold
(173ppm molybdenum)

from 89m down-hole and open to end of hole

Hot Chili (ASX: HCH) is pleased to report that drilling has returned grades of up to 1.6 percent copper and 0.4gpt gold from the Habanero discovery at its flagship Productora Project in Chile.

ASX Code
HCH

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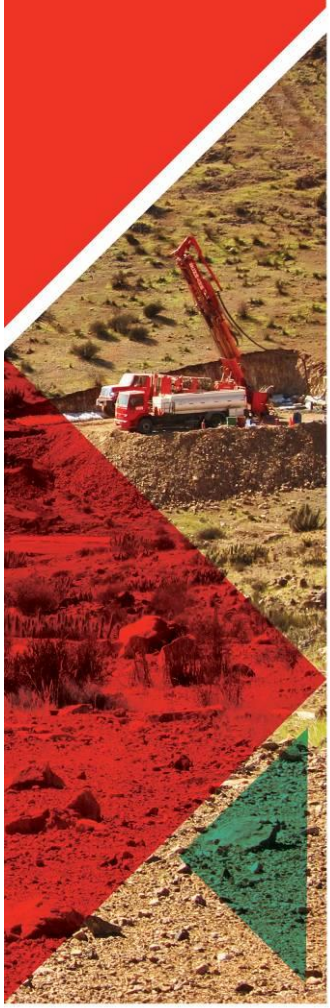

The results are considered particularly significant for three reasons:

- **They are the highest grades intersected at Productora to date;**
- **Habanero sits in an area of the planned pit which was previously considered to be waste and therefore it stands to boost the Project's economics substantially;**
- **The Habanero mineralisation dips to the east compared with the west-dipping nature of most of the Productora mineralisation. This realisation means there is strong potential to find Habanero repeats**

The addition of high-grade zones such as Habanero have the potential to substantially enhance the economics and increase the overall grade of the Productora Project.

Hot Chili is awaiting results of a further 10 drill holes that have been completed at Habanero. In the meantime, the Company has immediately re-directed two Reverse Circulation (RC) drill rigs towards further extensional drilling at Habanero.

The newly discovered Habanero zone is expected to feature prominently in Hot Chili's forthcoming major resource up-grade for Productora.

Habanero Discovery- New High-Grade Copper and Gold Zone Growing

Over the course of several months, Hot Chili has amassed a number of high-grade copper and gold results from an area located along the eastern flank of the Productora underground mine. As displayed on figure 1, the location of the new discovery zone lies within the extent of the planned central pit development at Productora and was previously considered waste in the Company's Scoping study.

Analysis of these results has indicated high-grade copper and gold is associated with a moderately east-dipping zone of potassic alteration, only recognised recently.. It was determined that previous drilling had not accurately tested this orientation because mineralisation at Productora predominantly dips steeply towards the west.

Further drilling is underway to more accurately drill test this new discovery zone which the Company has now named Habanero.

Recently received drill results from this more targeted drilling has now produced the Company's best results to date, recording **181m grading 1.0% copper and 0.3g/t gold** from 89m down hole and **open to end of hole**. This result **included an impressive 71m grading 1.6% copper and 0.4g/t gold** from 97m down-hole. This result shows the mineralisation is also open to the north and down-plunge, as seen on figures 2 and 3.

In addition to this outstanding result in the northern extent of Habanero, results from a further three Reverse Circulation (RC) drill holes have successfully extended the zone to the south, recording individual intersections also exceeding 1% copper in predicted locations. These include:

- 18m grading 1.3% copper and 0.4g/t gold from 152m depth down-hole (PRP0720)
- 15m grading 1.0% copper and 0.2g/t gold from 121m down-hole (PRP0713), and
- 12m grading 1.2% copper and 0.2g/t gold from 130m down-hole(PRP0713)

Results now confirm that the widest mineralisation at Habanero is open and plunging steeply towards the north. Significant drilling intersections have now been recorded over a strike length of more than 200m in addition to previously released results including:

- 67m grading 0.7% copper and 0.2g/t gold from 74m down-hole depth (PRP0077)
- 64m grading 1.5% copper and 0.4g/t gold from 122m down-hole depth (PRP0545)
- 72m grading 0.7% copper from 120m down-hole depth (PRP0609)
- 102m grading 1.0% copper and 0.2g/t gold from 124m down-hole depth (PRP0611)
- 49m grading 1.0% copper and 0.1g/t down-hole depth (PRP0661)

Hot Chili is directing a further 20 angled RC drill holes to expand drilling coverage at Habanero and determine the full extent of the discovery. Habanero has the potential to become a key high-grade zone within the planned central pit development at Productora and add substantially to the growing component of higher grade material being defined.

Drilling is also continuing in other high-priority areas at Productora including the Productora underground mine (adjacent to Habanero) and the Cayenne zone (immediately north of Productora underground mine) as displayed in figure 2. These areas have great potential to delineate further growth at Productora and results are expected shortly.

The discovery of Habanero is exciting for the Company because it further highlights the potential to discover other "Habanero-type" zones that may exist at Productora within the deposit extents.

The Company is now **investigating other "orphaned" high-grade drilling intersections** such as **49m grading 1.3% copper and 0.5g/t gold** (PRP0384, reported to ASX 25th September 2012) recorded in the northern extent of Productora last year. New advanced datasets are now being utilised by Hot Chili to more accurately predict and target the location and orientation of higher grade copper mineralisation at Productora.

The company looks forward to releasing further results from this exciting new discovery as they are received.

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or visit Hot Chili's website at www.hotchili.net.au

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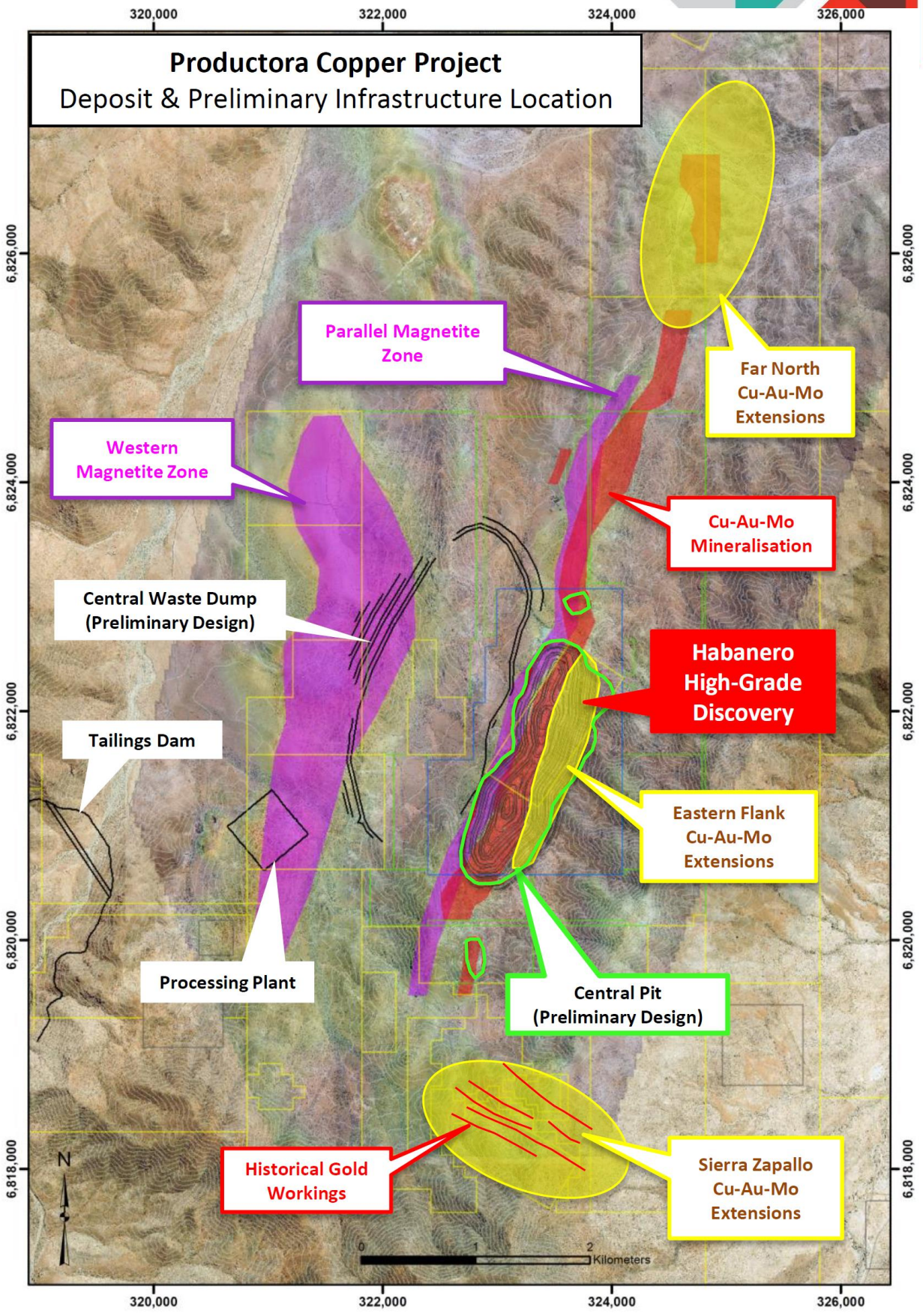

Figure 1. Productora project and Scoping Study development layout in relation to 2013 drilling programme focus

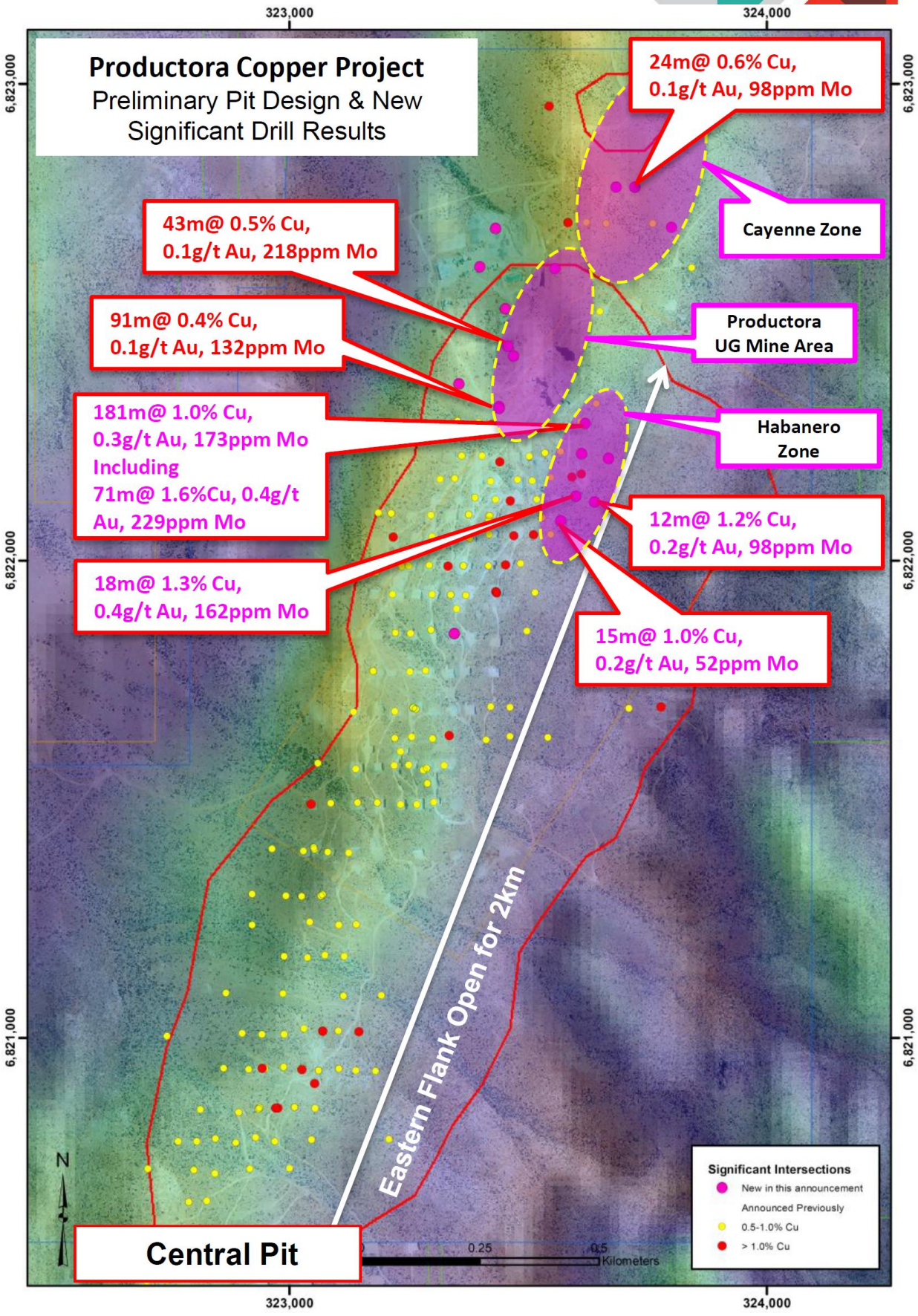

Figure 2. New significant drilling intersections in relation to the planned central pit design at Productora. The figure displays the three current focus areas for extensional drilling.

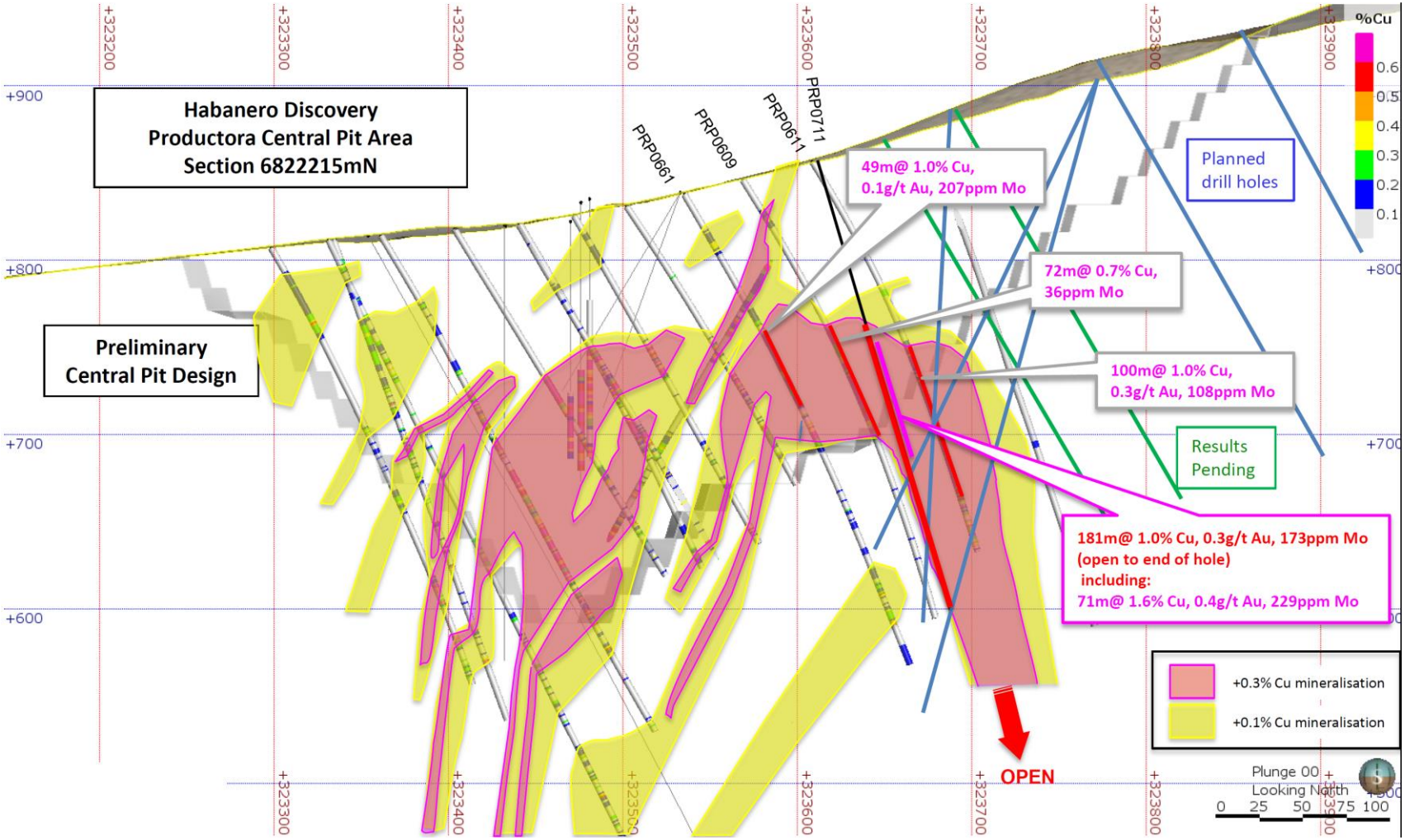

Figure 3. Cross sections showing significant intersections being recorded in new high-grade Habanero discovery zone on eastern flank of planned central pit development- Section 6822215mN

Productora Project- New Significant Drilling Intersections

Hole_ID	Coordinates		Azim.	Dip	Intersection		Interval	Copper	Gold	Molybdenum	Copper Equivalent
	North	East			From	To	(m)	(% Cu)	(g/t Au)	(ppm Mo)	(% Cu Equivalent)
PRP0702	6822617	323399	***90***	-60	22	44	22	0.4	0.6	33	0.8
			including		22	25	3	0.2	2.1	103	1.7
			including		40	44	4	0.2	1.9	41	1.5
PRP0704	6822592	323344	90	-60	**148**	**153**	**5**	**0.9**	**0.4**	**4**	**1.2**
PRP0705	6822324	323439	90	-80	**218**	**309**	**91**	**0.4**	**0.1**	**132**	**0.6**
		open to end of hole			309	342	33	0.2	0.1	45	0.3
PRP0707	6822529	323453	90	-60	12	52	40	0.4	0.0	13	0.4
					224	229	5	0.4	0.0	29	0.4
PRP0710	6822451	323458	70	-55	**12**	**83**	**71**	**0.4**	**0.0**	**26**	**0.4**
			including		**13**	**49**	**36**	**0.5**	**0.0**	**20**	**0.5**
PRP0711	6822225	323613	90	-70	74	80	6	0.3	0.1	65	0.4
		open to end of hole			**89**	**270**	**181**	**1.0**	**0.3**	**173**	**1.3**
			including		**97**	**168**	**71**	**1.6**	**0.4**	**229**	**2.1**
PRP0712	6822320	323439	75	-72	**90**	**105**	**15**	**0.6**	**0.2**	**137**	**0.8**
PRP0713	6822084	323568	90	-60	**121**	**136**	**15**	**1.0**	**0.2**	**52**	**1.2**
PRP0714	6822430	323470	110	-55	**12**	**40**	**28**	**0.5**	**0.1**	**24**	**0.5**
					132	**175**	**43**	**0.5**	**0.1**	**218**	**0.7**
					225	**246**	**21**	**0.5**	**0.1**	**81**	**0.6**
PRP0715	6822124	323639	280	-70	**130**	**142**	**12**	**1.2**	**0.2**	**98**	**1.4**
					201	215	14	0.3	0.1	314	0.6
PRP0716	6822784	323724	180	-60	**71**	**95**	**24**	**0.6**	**0.1**	**98**	**0.7**
					145	156	11	0.4	0.1	92	0.5
					193	**202**	**9**	**0.6**	**0.2**	**171**	**0.9**
			including		**197**	**202**	**5**	**1.0**	**0.2**	**220**	**1.3**
					225	**232**	**7**	**0.7**	**0.1**	**56**	**0.8**
PRP0717	6822320	323439	70	-60	**71**	**83**	**12**	**0.6**	**0.1**	**205**	**0.8**
PRP0720	6822136	323600	90	-60	**112**	**120**	**8**	**0.7**	**0.1**	**514**	**1.2**
					127	**136**	**9**	**0.5**	**0.1**	**182**	**0.7**
					152	**170**	**18**	**1.3**	**0.4**	**162**	**1.7**

Notes to Significant Drilling Intersections

- *All drill holes with pre-fix "PRP" are reverse circulation (RC) and all drill holes with suffix "D" are diamond holes.*
- *Results comprise ICP analysis (ME-ICP61) of all 1m whole core samples (D); 1m selective cone split samples (RC) and 4m composite samples (RC).*
- *Priority AAS analysis (CU-AA62 ore grade analysis) results were utilised where analysis was undertaken for copper results greater than 1.0%.*
- *Priority MS analysis (ME-MS61) results were utilised where analysis was undertaken for uranium results greater than 50ppm.*
- *Gold analysis only undertaken over copper results greater than 0.2%. All gold results comprise ICP analysis (Au-ICP21). Gold significant intersections may in some instances represent the average of gold results within the zone of intersection. In these instances generally gold analysis has been undertaken over 90 percent of the samples taken within the length of the intersection.*
- *All results were analysed by ALS Chemex (La Serena) laboratories.*

*** Copper Equivalent Calculation**

Copper Equivalent (also Cu Eq*) Calculation represents the total metal value for each metal, multiplied by the conversion factor, summed and expressed in equivalent copper percentage. These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result. However it is the Company's opinion that elements considered here have a reasonable potential to be recovered as evidenced in similar multi-commodity natured mines elsewhere in the world. Copper equivalent conversion factors and long-term price assumptions used follow:

Copper Equivalent Formula= Cu % + Mo(ppm)x0.0008 + Au(ppm)x0.6832
Price Assumptions- Cu (US$1.80/lb), Mo (US$15/lb), Au (US$850/oz)

JORC Compliant Resource Statement- Reported 13th February 2013

Classification	Resource Series (+0.3% Cu)	Tonnage	Grade				Contained Metal			
			Cu %	Au g/t	Mo g/t	Cu Eq* %	Copper (Tonnes)	Gold (Oz)	Molybdenum (Tonnes)	Copper Eq* (Tonnes)
INDICATED	Res Upgrade 1	39,400,000	0.6	0.1	124	0.8	230,000	150,000	5,000	310,000
	Central Resource	31,200,000	0.6	0.1	159	0.8	190,000	110,000	5,000	250,000
	Total	**70,600,000**	**0.6**	**0.1**	**140**	**0.8**	**420,000**	**260,000**	**10,000**	**560,000**
INFERRED	Res Upgrade 1	40,600,000	0.5	0.1	110	0.7	200,000	130,000	4,000	270,000
	Central Resource	54,000,000	0.6	0.1	138	0.7	300,000	180,000	8,000	400,000
	Total	**94,600,000**	**0.5**	**0.1**	**126**	**0.7**	**500,000**	**310,000**	**12,000**	**670,000**
TOTAL	Res Upgrade 1	80,000,000	0.5	0.1	117	0.7	440,000	290,000	9,000	580,000
	Central Resource	85,200,000	0.6	0.1	146	0.8	480,000	290,000	13,000	650,000
	Total	**165,200,000**	**0.6**	**0.1**	**132**	**0.7**	**920,000**	**580,000**	**22,000**	**1,230,000**

Note: Figures in the above table are rounded and are reported to one significant figure in accordance with Australian JORC code 2004 guidance on mineral resource reporting.

Competent Person's Statement

The information in this report that relates to the Central Mineral Resource, Productora is based on information compiled by Alf Gillman, who is a fellow of the Australasian Institute of Mining and Metallurgy. Alf Gillman is a director of Odessa Resources Pty Ltd, and has sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Alf Gillman consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Mineral Resource estimates outside of the Central Mineral Resource is based on information compiled by Aloysius Voortman and Fleur Muller. Aloysius Voortman is a Fellow of the Australasian Institute of Mining and Metallurgy, and Fleur Muller is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Aloysius Voortman is an employee of Coffey Mining, and Fleur Muller is an employee of Hot Chili Ltd, and both have sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration. Mr Voortman and Mrs Muller are qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Both Mr Voortman and Mrs Muller consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.